REMARKS

Consideration of the Request for Continued Examination is requested. Claims 1-31 have been cancelled. Claims 32-43 have been added. The claims presented by way of this preliminary amendment are supported by the Specification as filed.

Claim 32 claims a machine-readable medium having instructions to cause a machine to perform a method of managing a switchable bilateral electronic negotiation, the method comprising:

facilitating a first active negotiation between a first party and a second party, wherein the facilitating the first active negotiation includes exchanging multi-attribute offers between the first party and the second party;

facilitating a first inactive negotiation between the first party and a third party, wherein facilitating the first inactive negotiation includes receiving a submitted multi-attribute offer from the third party;

automatically dropping the first active negotiation between the first party and the second party;

facilitating a second active negotiation between the first party and the third party; and facilitating a second inactive negotiation between the first party and the second party.

The Luke reference (US patent number 6,131,087 to Luke et al.) does not teach the method of managing a switchable bilateral electronic negotiation system as claimed.

Specifically, Luke does not teach the facilitating of *a first active negotiation* and *a first inactive negotiation*, as claimed. Rather, Luke discloses a method for market participants for automatically identifying and matching offer data with solicitation data (see Abstract). In the presently claimed invention, the first active negotiation may define a state in which two active parties actively exchange offers. The first inactive negotiation may define a state in which an

inactive party is not in active negotiation but may submit competing offers. The active negotiation may be automatically dropped if, for example, the inactive negotiation is more competitive. Thereby, the active negotiation is initiated between the first and third party and the inactive negotiation is initiated between the first and second party. Accordingly, Luke does not disclose the switchable bilateral electronic negotiation as claimed.

The INSS reference (interneg.Carleton.ca – INSS) does not teach the method of managing a switchable bilateral electronic negotiation system, as claimed. Specifically, INSS does not teach the facilitating of *a first active negotiation* and *a first inactive negotiation*, as claimed.). In the presently claimed invention, the first active negotiation may define a state in which two active parties actively exchange offers. The first inactive negotiation may define a state in which an inactive party is not in active negotiation but may submit competing offers. The active negotiation may be automatically dropped if, for example, the inactive negotiation is more competitive. Thereby, the active negotiation is initiated between the first and third party and the inactive negotiation is initiated between the first and second party. Accordingly, INSS does not disclose the switchable bilateral electronic negotiation as claimed.

The Bigus reference discloses that agent 100 may conduct negotiations with more than one other party at a time, whereby the program flow similar to that shown in Fig 5 would be executed for each negotiation execution session (see Bigus column 9, lines 58-63). However, Bigus does not disclose facilitating an inactive negotiation as claimed.). In the presently claimed invention, the first active negotiation may define a state in which two active parties actively exchange offers. The first inactive negotiation may define a state in which an inactive party is not in active negotiation but may submit competing offers. The active negotiation may be automatically dropped if, for example, the inactive negotiation is more competitive. Thereby, the active negotiation is initiated between the first and third party and the inactive negotiation is

initiated between the first and second party. Accordingly, Bigus does not disclose the switchable bilateral electronic negotiation as claimed.

Claim 38 is the machine-readable medium of claim 32, wherein facilitating the first active negotiation includes receiving a retraction of an offer associated with the first active negotiation and retracting the offer associated with the first active negotiation.

Applicants respectfully submit that Luke does not disclose "a retraction of an offer" as claimed. The Office Action dated April 15, 2003 states, "According to Black's Law Dictionary, retraction is defined as to take back, to retract an offer is to withdraw it **before acceptance**."

The Office Action goes on to state that Luke discloses "if the exchange partner accepts the offerors initial offer the offer is still retractable because each participant has a supervising agent for authorization of the contact, who may either authorize or block the transaction (col. 10, lines 51-60)." However, Applicants respectfully disagree with the interpretation that the withdrawal of the transaction based on supervising authorization **after acceptance** is equated to "a retraction of an offer" as claimed because, as per the definition, a retraction must occur before acceptance. Luke discloses that the authorization of the supervising agent is sought "when the exchange participant and the originator of the offer data reach agreement of the particulars of an exchange" (column 10 lines 36-38). This is not the same as retracting the offer because no acceptance has occurred.

Under 35 USC 102(a), INSS must teach each and every element as claimed. The Applicants respectfully submit that the INSS references do not disclose "a retraction of an offer," as claimed. That is, the INSS references do not disclose that an offer is retracted **before** acceptance.

CONCLUSION

It is respectfully submitted that in view of the amendments and remarks set forth herein, the applicable rejections and objections have been overcome. If there are any additional charges, please charge Deposit Account No. 02-2666 for any fee deficiency that may be due.

Respectfully submitted,

BLAKELY SOKOLOFF TAYLOR & ZAFMAN LLP

André Gibbs

Reg. No. 47,593

12400 Wilshire Boulevard Seventh Floor Los Angeles, California 90025 (408) 720-8300